

Agenda Item 5

Surface Storage

Problem Statement

- Insufficient funding committed to complete planning on all five projects
- Need additional input from potential project participants to focus planning
- Must prioritize work to maximize value of available funding

Complicating Issues

- Five projects are on different schedules
 - Different work completed/remaining
 - Need to apply common assumptions
- Federal/State funding
- Federal Authorization – In-Delta Storage
- Public Resources Code – Shasta

Preliminary Proposal

- First priority (applicable to all projects)
 - Develop common assumptions
 - Update operations studies
 - Enhance economic analyses methodology
- Second priority
 - Determine criteria & process to determine how to invest remaining funding

Alternative Approaches to Investing Remaining Funding

1. Across the board cuts to all 5 projects
2. Focus planning on specific benefits, not specific projects
3. Fund planning for projects with most interest from potential participants

Alternative Approaches

1. Across the Board Cuts to All 5 Projects

Pros

- Simplest to implement and requires little evaluation before a decision is made.
- Equitable.

Cons

- Does not assure that funding is available to complete necessary planning for any of the five projects.
- Does not encourage engagement of project participants.

Alternative Approaches

2. Focus planning on specific benefits, not specific projects

Pros

- Provide more information on most efficient means of achieving specific benefits.
- Equitable.

Cons

- Does not assure that funding is available to complete necessary planning for any of the five projects.
- May be difficult to engage project participants.
- Discounts risks and uncertainties associated with specific projects.

Alternative Approaches

3. Fund planning for projects with most interest from potential participants

Pros

- More assurance that planning will be completed for at least a subset of the five projects.
- Encourages engagement of project participants.

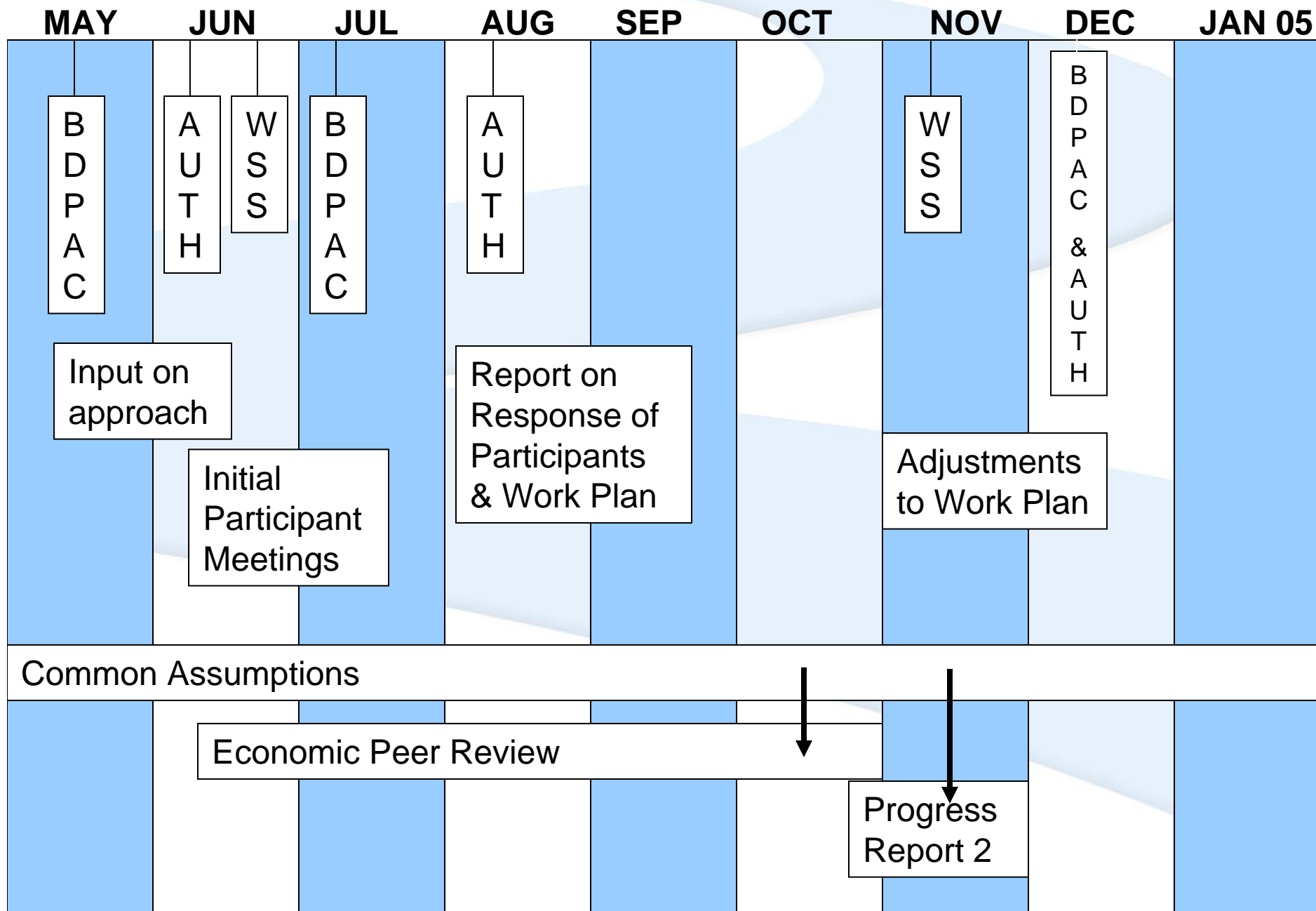
Cons

- Most concern regarding equitability.
- Some project planning limited by federal authorization, legal impediments.

Refined Preliminary Proposal

- First priority (applicable to all projects)
 - Develop common assumptions
 - Update operations studies
 - Enhance economic analyses methodology
- Second priority
 - DWR & Reclamation to call for meetings of potential project participants
 - Use response to develop planning partnerships and plan for prioritizing investments

Schedule



Comments & Questions

- Participate in the June 23, 2004 BDPAC Water Supply Subcommittee Meeting
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